

CALIFORNIA DEPARTMENT OF INSURANCE

TOTAL DISABILITY DEFINITION IN STANDARD CREDIT POLICY FORMS
REGULATIONS

Title 10, California Code of Regulations Chapter 5, Subchapter 2, Article 6.9

AMENDED TEXT OF REGULATION

DATE: December 14, 2007

REGULATION FILE: REG-2007-00030

1. Amend § 2249.2 as follows:

2249.2. Forms Subject to Prior Substantive Review and Approval. The following credit life and/or credit disability insurance forms shall be submitted to the Commissioner for his prior substantive review and approval following the procedures established by §§ 2201 through 2217 of this Subchapter:

(a) Standard forms for use by an insurer which has not actively transacted a substantial volume of credit life and/or disability insurance in the State of California for a year prior to the date upon which the forms are proposed to be issued, unless and until such prior substantive review is expressly waived by the Commissioner in writing.

(b) Forms intended for use in lieu of the standard forms established by this Article. Cover letters for submission of such forms shall prominently state that the forms are to be issued in lieu of standard forms.

(c) Forms or provisions in forms not otherwise subject to this Section which provide coverages in addition to or different from the coverages provided by the forms established by this Article.

(d) Forms described in Subsections (b) and (c) of this Section shall be drafted in text designed to be readily understood and interpreted by the persons insured thereunder and shall be based, to the extent possible, upon the standard forms established. Non-standard language in such forms shall be "highlighted" when they are submitted for review. Each such form shall use the Identification Number of the standard form upon which it was based, with "NON STD" added as a prefix or suffix.

The Commissioner shall disapprove such a form:

(1) If it would produce experience statistics which would not be readily usable in developing prima facie premium rates.

(2) If it uses atypical language or format and would, therefore, hinder consumer education.

(3) If it is not established to his satisfaction that its use will be more beneficial to the citizens of this State than the use of standard forms;

(4) It does not comply with any other applicable statute or regulation.

(e) The Commissioner waives the refiling of previously-approved forms described in Subsections (b) and (c) of this Section that are changed solely to reflect the 2008 amendments of this Article.

NOTE: Authority cited: §§ 779.21 and 779.27, Ins. C. Reference: §§ 779.8, 779.9, 779.12a, Ins. C

2. Amend § 2249.9 as follows:

§2249.9. List of Block Numbers for Each Identification Number--Group Certificates.

#6--MH 1; SC 1; SC 2; SC 4 through SC 7; SC 9; SC 10; SC 12; SC 14 through SC 16; SC 20 through SC 22; SC 26; SC 27; AP 5; PA 3; PB 1; PC 1; PD 1; PE 2; PF 1; PG 1; PH 1; PI 1; PJ 1; PK 2; PL 2; PM 1; PN 1; --PP 1. NOPI: A-1; B-3; C-1; D-2.

#7--MH 1; SC 1; SC 2; SC 4 through SC 7; SC 9; SC 10; SC 14; SC 18; SC 20 through SC 22; SC 26; SC 27; AP 6; PA 3; PB 1; PC 1; PD 1; PE 2; PH 1; PI 1; PK 2; PL 2; PN 1; NOPI: A-2; B-3; D-2.

#8--MH 1; SC 1; SC 4 through SC 7; SC 9; SC 10; SC 12; SC 19; SC 15 through SC 18; SC 20 through SC 22; SC 26; SC 27; AP 7; PA 3; PB 1; PC 1; PE 2; PF 1; PG 1; PH 2; PI 3; PJ 1; PK 2; PL 2; PM 1; PN 1; PP 1. NOPI: A-1; B-4; C-1; D-2.

#9--MH 1; SC 1; SC 4 through SC 7; SC 9; SC 10; SC 19 through SC 22; SC 26; SC 27; AP 8; PA 3; PB 1; PC 1; PE 2; PH 2; PI 3; PK 2; PL 2; PN 1; NOPI: A-2; B-4; D-2.

#10--MH 1; SC 1; SC 4 through SC 7; SC 9; SC 12; SC 15; SC 20 through SC 22; SC 26; SC 27; AP 3; PA 3; PB 1; PC 2; PE 6; PF 1; PG 1; PH 2; PJ 1; PK 2; PL 2; PM 1; PP 1. NOPI: A-3; C-1; D-2.

#11--MH 1; SC 1; SC 2; SC 4 through SC 18; SC 26; SC 27; AP 1; PA 3; PB 1; PC 1; PD 1; PE 4; PF 1; PG 1; PH 1; PI 1; PJ 1; PK 1; PL 2; PM 1; PN 1; PP 1. NOPI: ~~A-2~~ A-1; B-5; C-1; D-1.

#12--MH 1; SC 1; SC 2; SC 4 through SC 11; SC 14; SC 18; SC 26; SC 27; AP 2; PA 3; PB 1; PC 1; PD 1; PE 4; PH 1; PI 1; PK 1; PL 2; PN 1; NOPI: A-2; B-5; D-1.

#13--MH 1; SC 1; SC 4 through SC 13; SC 15; SC 19; SC 17; SC 18; SC 26; SC 27; AP 3; PA 3; PB 1; PC 1; PE 4; PF 1; PG 1; PH 2; PI 3; PJ 1; PK 1; PL 2; PM 1; PN 1; PP 1. NOPI: A-1; B-6; C-1; D-1.

#14--MH 1; SC 1; SC 4 through SC 12; SC 18; SC 19; SC 26; SC 27; AP 4; PA 3; PB 1; PC 1; PE 4; PH 2; PI 3; PK 1; PL 2; PN 1; NOPI: A-2; B-6; D-1.

#15--MH 1; SC 1; SC 4 through SC 6; SC 8; SC 9; SC 11; SC 12; SC 13; SC 15; SC 17; SC 26; SC 27; AP 3; PA 3; PB 1; PC 2; PF 1; PG 1; PH 2; PJ 1; PK 1; PL 2; PM 1; PP 1. NOPI: A-3; C-1; D-1.

#16--MH 1; SC 1; SC 2; SC 4 through SC 9; SC 11; SC 18; SC 23; SC 24; SC 26; SC 27; AP 2; PA 3; PB 1; PC 1; PD 1; PE 5; PH 1; PI 1; PK 3; PL 2; PN 1; NOPI: A-2; B-7; D-1.

#17--MH 1; SC 1; SC 4 through SC 9; SC 11; SC 18; SC 23; SC 25 through SC 27; AP 4; PA 3; PB 1; PC 1; PE 5; PH 2; PI 3; PK 3; PL 2; PN 1; NOPI: A-2; B-8; D-1.

#18--MH 1; SC 1; SC 2; SC 4 through SC 7; SC 9; SC 17; SC 18; SC 26; SC 27; SC 29; SC 30; AP 10; PA 2; PB 1; PC 1; PD 1; PE 3; PF 3; PG 1; PH 1; PI 2; PJ 2; PK 4; PL 2; PM 1; PN 1; PP 1. NOPI: A-1; B-9; C-3; D-3.

#19--H 1; SC 1; SC 4 through SC 7; SC 9; SC 17; SC 18; SC 26; SC 27; SC 33; SC 34; AP 18; PA 2; PB 1; PC 1; PE 3; PF 3; PG 1; PH 2; PI 4; PJ 2; PK 4; PL 2; PM 1; PN 1; PP 1. NOPI: A-1; B-10; C-3; D-3.

#20--MH 1; SC 1; SC 4 through SC 6; SC 9; SC 15; SC 17; SC 26; SC 27; SC 36; AP 19; PA 2; PB 1; PC 2; PF 3; PG 1; PH 2; PJ 2; PK 4; PL 2; PM 1; PP 1. NOPI: A-3; C-3; D-3.

#21--MH 1; SC 1; SC 2; SC 4 through SC 7; SC 9; SC 18; SC 26; SC 27; SC 31; SC 32; AP 11; PA 2; PB 1; PC 1; PD 1; PE 3; PH 1; PI 2; PK 4; PL 2; PN 1; NOPI: A-2; B-9; D-3.

#22--MH 1; SC 1; SC 4 through SC 7; SC 9; SC 18; SC 26; SC 27; SC 35; AP 12; PA 2; PB 1; PC 1; PE 3; PH 2; PI 4; PK 4; PL 2; PN 1; NOPI: A-2; B-10; D-3.

#25--MH 1; SC 1; SC 2; SC 4 through SC 13; SC 17; SC 18; SC 26; SC 27; SC 29; SC 30; SC 16; AP 21; PA 2; PB 1; PC 1; PD 1; PE 4; PF 1; PG 1; PH 1; PI 1; PJ 1; PK 6; PL 2; PM 1; PN 1; —PP 1. NOPI: A-1; B-5; C-1; D-3.

#26--MH 1; SC 1; SC 2; SC 4 through SC 11; SC 18; SC 26; SC 27; SC 31; SC 32; SC 16; AP 22; PA 2; PB 1; PC 1; PD 1; PE 4; PH 1; PI 1; PK 6; PL 2; PN 1; NOPI: A-2; B-5; D-3.

#27--MH 1; SC 1; SC 4 through SC 13; SC 17; SC 18; SC 26; SC 27; SC 33; SC 34; SC 16; AP 23; PA 2; PB 1; PC 1; PE 4; PF 1; PG 1; PH 2; PI 3; PJ 1; PK 6; PL 2; PM 1; PN 1; PP 1. NOPI: A-1; B-6; C-1; D-3.

#28--MH 1; SC 1; SC 4 through SC 11; SC 18; SC 26; SC 27; SC 35; SC 16; AP 24; PA 2; PB 1; PC 1; PE 4; PH 2; PI 3; PK 6; PL 2; PN 1; NOPI: A 2; B-6; D-3.

29--MH 1; SC 1; SC 4 through SC 6; SC 8; SC 9; SC 11 through SC 13; SC 17; SC 26; SC 27; SC 36; SC 16; AP 25; PA 2; PB 1; PC 2; PF 1; PG 1; PH 2; PJ 1; PK 6; PL 2; PM 1; PP 1. NOPI: A-3; C-1; D-3.

#30--MH 1; SC 1; SC 2; SC 4 through SC 9; SC 11; SC 13; SC 15; SC 24; SC 16; SC 23; SC 26; SC 27; AP 17; PA 3; PB 1; PC 1; PD 1; PE 5; PF 1; PG 1; PH 3; PI 1; PJ 1; PK 8; PL 4; PM 1; PN 1; PP 1. NOPI: A-1; B-7; C-1; D-1.

#31--MH 1; SC 1; SC 2; SC 4 through SC 9; SC 11; SC 24; SC 26; SC 27; AP 13; PA 3; PB 1; PC 1; PD 1; PE 5; PH 3; PI 1; PK 3; PL 4; PN 1; NOPI: A-2; B-7; D-1.

#32--MH 1; SC 1; SC 4 through SC 13; SC 19; SC 15; SC 16; SC 26; SC 27; AP 14; PA 3; PB 1; PC 1; PE 5; PF 1; PG 1; PH 4; PI 3; PJ 1; PK 8; PL 4; PM 1; PN 1; PP 1. NOPI: A-1; B-8; C-1; D-1.

#33--MH 1; SC 1; SC 4 through SC 9; SC 11; SC 23; SC 25; SC 26; SC 27; AP 15; PA 3; PB 1; PC 1; PE 5; PH 4; PI 3; PK 3; PL 4; PN 1; NOPI: A-2; B-8; D-1.

#34--MH 1; SC 1; SC 4 through SC 9; SC 11 through SC 13; SC 15; SC 26; SC 27; AP 16; PA 3; PB 1; PC 2; PF 1; PG 1; PH 4; PJ 1; PK 8; PL 4; PM 1; PP 1. NOPI: A-3; C-1; D-1.

NOTE: Authority cited: §§ 779.21 and 779.27, Ins. C. Reference: §§ 779.4, Ins. C.; §§ 18290-18292, 22314, 22315, 22455, Fin. C.; § 2248.33, Title 10, Cal Code of Regs.

3. Amend § 2249.12 as follows:

2249.12. Policy and Certificate Blocks

PA 1

POLICY

(INSTRUCTION: The following paragraph must be printed in at least 14-point type.)

You can cancel this insurance at any time by telling the creditor that you want to do so. You will get back ALL the premium you paid for this insurance if you tell us or the creditor to cancel it within 30 days after you receive this certificate. If you cancel this insurance after 30 days, you will not get back all the premium that you paid.

(INSTRUCTION: The following paragraph must be printed in at least 14-point bold face type.)

If you have a question, problem or complaint about this insurance, please contact the Creditor Beneficiary at the address and phone number shown in the Schedule or us at (insert address and telephone number of insurer). If we do not resolve your question, problem or complaint to your satisfaction, you may then contact the

California Department of Insurance

300 South Spring Street

Los Angeles, CA 90013

(800) 927-4357 or (213) 897-8921

WHAT YOU GET

If we have been paid the premium shown in the Schedule you are insured for the coverage shown in the Schedule as provided in this policy.

PA 2

CERTIFICATE OF INSURANCE

(INSTRUCTION: The following paragraph must be printed in at least 14-point type.)

You can cancel this insurance at any time by telling the creditor that you want to do so. You will get back ALL the premium you paid for this insurance if you tell us or the creditor to cancel it within 30 days after you receive this certificate. If you cancel this insurance after 30 days, you will not get back all the premium that you paid.

(INSTRUCTION: The following paragraph must be printed in at least 14-point bold face type.)

If you have a question, problem or complaint about this insurance, please contact the Creditor Beneficiary at the address and phone number shown in the Schedule or us at (insert address and telephone number of insurer). If we do not resolve your question, problem or complaint to your satisfaction, you may then contact the

California Department of Insurance

300 South Spring Street

Los Angeles, CA 90013

(800) 927-4357 or (213) 897-8921

WHAT YOU GET

We certify that while we are paid the premiums for the Group Policy by the Creditor as they become due each month you are insured for the coverage marked in the Schedule, subject to the terms of the Group Policy issued to the Creditor.

PA 3

CERTIFICATE OF INSURANCE

(INSTRUCTION: The following paragraph must be printed in at least 14-point type.)

You can cancel this insurance at any time by telling the creditor that you want to do so. You will get back ALL the premium you paid for this insurance if you tell us or the creditor to cancel it within 30 days after you receive this certificate. If you cancel this insurance after 30 days, you will not get back all the premium that you paid.

(INSTRUCTION: The following paragraph must be printed in at least 14-point bold face type.)

If you have a question, problem or complaint about this insurance, please contact the Creditor Beneficiary at the address and phone number shown in the Schedule or us at (insert address and telephone number of insurer). If we do not resolve your question, problem or complaint to your satisfaction, you may then contact the

California Department of Insurance

300 South Spring Street

Los Angeles, CA 90013

(800) 927-4357 or (213) 897-8921

WHAT YOU GET

We certify that if we have been paid the premium shown in the Schedule you are insured for the coverage shown in the Schedule, subject to the terms of the Group Policy issued to the Creditor.

PA 4

POLICY

(INSTRUCTION: The following paragraph must be printed in at least 14-point type.)

You can cancel this insurance at any time by telling the creditor that you want to do so. You will get back ALL the premium you paid for this insurance if you tell us or the creditor to cancel it within 30 days after

you receive this certificate. If you cancel this insurance after 30 days, you will not get back all the premium that you paid.

(INSTRUCTION: The following paragraph must be printed in at least 14-point bold face type.)

If you have a question, problem or complaint about this insurance, please contact the Creditor Beneficiary at the address and phone number shown in the Schedule or us at (insert address and telephone number of insurer). If we do not resolve your question, problem or complaint to your satisfaction, you may then contact the

California Department of Insurance

300 South Spring Street

Los Angeles, CA 90013

(800) 927-4357 or (213) 897-8921

WHAT YOU GET

While we are paid the premiums shown in the Schedule as they become due each month you are insured for the coverage marked in the Schedule.

PB 1

WHO GETS PAID

Claim payments are made to the irrevocable Creditor Beneficiary named in the Schedule to pay off or reduce your debt. If claim payments are more than the balance of your debt, the difference will be paid to you or to the Secondary Beneficiary named in the Schedule, if any, or to your estate.

PC 1

WHAT WE WILL PAY

Single Life Insurance Benefit. If you die while you are insured for single life coverage we will pay the amount of insurance in force at the time of your death after we receive proof of your death.

PC 2

WHAT WE WILL PAY

PC 3

Amount of Life Insurance. The amount of life insurance is the outstanding principal balance of your loan on the date of your death plus not more than 2 months unpaid loan interest. But we won't pay more than the Maximum Amount of Life Insurance in the Schedule..

PD 1

Joint Life Insurance Benefit. If you or your co-borrower die while insured for joint life coverage we will pay the amount of insurance in force at the time you or your co - borrower dies after we receive proof of the death. Only one death benefit is payable under this policy.

PE 2

Term of Insurance. The term of insurance coverage starts on the Effective Date (as shown in the Schedule) and stops on the scheduled maturity date of your loan with the Creditor; except that the coverage may stop sooner as described below, under the caption "When Insurance Stops-Refunds."

Amount of Life Insurance. The amount of life insurance is the total amount due on the loan (excluding unearned finance charges), outstanding on the date of the insured borrower's death.

PE 3

Amount of Life Insurance. The amount of life insurance is the total amount due on the loan (excluding unearned finance charges), outstanding on the date of the insured borrower's death. But we won't pay more than the Maximum Amount of Life Insurance in the Schedule.

PE 4

Amount of Life Insurance. The amount of life insurance is the scheduled unpaid balance due on the loan on the date of the insured borrower's death. The amount of life insurance does not include any delinquent payments or unearned interest.

PE 5

Amount of Life Insurance. The Amount of Level Life Insurance shown in the Schedule stays the same while the policy is in effect.

PE 6

Term of Insurance. The term of insurance coverage starts on the Effective Date (as shown in the Schedule) and stops on the scheduled maturity date of your loan with the Creditor; except that the coverage may stop sooner as described below, under the caption "When Insurance Stop - Refunds."

PF 1

Total Disability Insurance Benefit. If you are insured for total disability insurance, we will pay a benefit if you file written proof that you became totally disabled while insured and continue to be totally disabled for more than 30 days. Payment will be calculated from the 31st day of disability. The benefit will be equal to 1/30th of your Monthly Total Disability Benefit in the Schedule for each day of disability to be compensated. Payments will stop when you are not totally disabled any more or when benefits are paid to the Scheduled Expiration Date, whichever comes first.

PF 3

Total Disability Insurance Benefit. If you are insured for total disability insurance, we will pay a benefit if you file written proof that you became totally disabled while insured and continue to be totally disabled for more than 30 days. Payment will be calculated from the 31st day of disability. Payments will stop when you are not totally disabled anymore or when your loan with the creditor is paid off, whichever comes first. The benefit for each day of disability to be compensated will be 1/30th of your required monthly loan payment or the Maximum Monthly Disability Benefit, whichever is less.

PF 4

Total Disability Insurance Benefit. If you are insured for total disability insurance, we will pay a benefit if you file written proof that you became totally disabled while insured and continue to be totally disabled for more than 30 days. Payment will be calculated from the 31st day of disability. The benefit will be equal to 1/30th of your Monthly Total Disability Benefit in the Schedule for each day of disability to be compensated. Payments will stop:

1. when you are not totally disabled any more,
2. when benefits are paid to the Scheduled Expiration Date, or
3. when benefits are paid for the Maximum Disability Benefit Period in the Schedule, whichever comes first.

The amount of Monthly Total Disability Benefit is the same even though your total disability may be due to more than one cause. The Maximum Disability Benefit Period applies to each period of disability.

If benefit payments have stopped and you have recovered and then you become disabled again while still insured for total disability insurance, we may consider it a new period of disability. We will do so only if:

1. since the last period of disability, at least six straight months have passed during which you were not disabled for any period of time or,
2. the new disability is due to an entirely different cause than the previous disability.

PG 1

~~Definition of Total Disability. During the first 18 consecutive months of total disability, total disability means that you are not able to perform the major duties of your occupation because of sickness or accidental injury. After the first 18 consecutive months of total disability, the definition changes and requires that you not be able to perform the duties of any occupation for which you are reasonably qualified by education, training or experience. You will be required to give us written proof of your continuing total disability from time to time.~~

Definition of Total Disability. During the first 18 consecutive months of your total disability, total disability means that, because of sickness or injury, you cannot perform with reasonable continuity, the substantial and material duties that you must perform to work in your usual occupation in the usual or customary way. Substantial and material duties are duties that are normally required for the performance of your usual occupation and that cannot be reasonably omitted or changed.

After the first 18 consecutive months of your total disability, the definition of total disability changes. It requires that, because of sickness or injury, you cannot work with reasonable continuity in any occupation in which you might reasonably be expected to work satisfactorily in light of your age, education, training, experience, station in life, and physical and mental capacity.

You will be required to give us written proof of your continuing total disability from time to time.

PH 1

WHAT WE WON'T PAY

Misstated Age. If you stated you are under 65, but you are not, we will return your premium when we discover this and will not pay any benefits. This also applies to your co-borrower, if you applied for joint life coverage.

PH 2

WHAT WE WON'T PAY

Misstated Age. If you stated you are under 65, but you are not, we will return your premium when we discover this and will not pay any benefits.

PH 3

Misstated Age. If you did not correctly state your age, we will only pay for the amount of insurance that the premium you paid would have bought if your age had been stated correctly. This also applies to your co-borrower, if you applied for joint life coverage.

PH 4

Misstated Age. If you did not correctly state your age, we will only pay for the amount of insurance that the premium you paid would have bought if your age had been stated correctly.

PI 1

Suicide. We won't pay any claim if you commit suicide within 6 months of the Effective Date shown in the Schedule, but we will refund the life insurance premium. This also applies to your co-borrower, if you applied for joint life coverage.

PI 2

Suicide. We won't pay a claim for an advance on your loan if you commit suicide within 6 months after the date of the advance, but we will return the life insurance charge on that advance. This also applies to your co-borrower, if you applied for joint life coverage. The time limit for "Suicide" runs separately as to each advance, but a later advance does not restart the time limit on prior advances.

PI 3

Suicide. We won't pay any claim if you commit suicide within 6 months of the Effective Date shown in the Schedule, but we will refund the life insurance premium.

PI 4

Suicide. We won't pay a claim for an advance on your loan if you commit suicide within 6 months after the date of the advance, but we will return the life insurance charge on that advance. The time limit for "Suicide" runs separately as to each advance, but a later advance does not restart the time limit on prior advances.

PJ 1

Total Disabilities Not Covered. We won't pay the claim or refund the premium if your disability:

1. is a result of normal pregnancy or childbirth or;
2. is a result of an intentionally self-inflicted injury or;
3. begins within 2 years after the Effective Date as a result of a pre-existing medical condition. A pre-existing medical condition is one for which you saw or were under treatment by a physician or a chiropractor both within the 6 months before and the 6 months after the Effective Date shown in the Schedule.

PJ 2

Total Disabilities Not Covered. We won't pay a claim or refund the disability insurance charge if your total disability:

1. is a result of normal pregnancy or childbirth or
2. is a result of an intentionally self-inflicted injury or
3. begins within 6 months after the date of the advance as a result of a pre-existing medical condition. A pre-existing medical condition is one for which you saw or were under treatment by a physician or a chiropractor both within the 6 months before and the 6 months after the date of the advance.

PK 1

WHEN INSURANCE STOPS - REFUNDS

You can stop this insurance at any time. This insurance stops on the Scheduled Expiration Date, or when your loan is paid off, renewed, refinanced or otherwise stops, whichever happens first. If your insurance stops before the Scheduled Expiration Date in the Schedule, you will be given a refund or a credit on your account of unearned premium. This refund or credit will be calculated using a formula approved by the Insurance Commissioner, but refunds or credits of less than \$5.00 won't be made.

PK 2

WHEN INSURANCE STOPS - REFUNDS

You can stop this insurance at any time. This insurance stops automatically on the Final Installment Due Date of your loan with the Creditor, or when your loan is paid off, renewed, refinanced or otherwise stops, whichever happens first. Any coverage under the disability insurance will also stop in the event of your death.

If insurance stops before the Final Installment Due Date of your loan, you will be given a refund or credit on your account of unearned premium. This refund or credit will be calculated using a formula approved by the Insurance Commissioner, but refunds or credits of less than \$5.00 won't be made.

PK 3

WHEN INSURANCE STOPS - REFUNDS

You can stop this insurance at any time. This insurance stops on the Scheduled Expiration Date, or when your loan is paid off, renewed, refinanced or otherwise stops, whichever happens first. If your insurance stops before the Scheduled Expiration Date in the Schedule, you will be given a refund or credit on your account of unearned premium. This refund or credit will be calculated on a pro-rata basis, but refunds or credits less than \$5.00 won't be made.

PK 4

WHEN INSURANCE STOPS

This insurance stops:

1. on the first billing date after the Creditor receives your written request to stop the insurance, or
2. on the first billing date after you withdraw your authorization for the addition of charges for the insurance to your loan, or
3. on the first billing date after you reach your 65th birthday, or
4. on the date your loan stops, or
5. on the billing date upon which you are 3 months delinquent in making a minimum monthly payment on your loan, or
6. on the date the Group Policy stops.

PK 5

WHEN INSURANCE STOPS

This insurance stops:

1. on the first billing date after the Creditor receives your written request to stop the insurance, or
2. on the first billing date after you withdraw your authorization for the addition of charges for the insurance to your loan, or
3. on the first billing date after you reach your 65th birthday, or
4. on the date your loan stops, or
5. on the billing date upon which you are 3 months delinquent in making a minimum monthly payment on your loan, or
6. on the date specified in our written notice of cancellation to you.

PK 6

WHEN INSURANCE STOPS

This insurance stops:

1. on the first billing date after the Creditor receives your written request to stop the insurance, or
2. on the Scheduled Expiration Date, or
3. on the date when your loan is paid off, renewed, refinanced or otherwise stops, or
4. on the date when you are 3 months delinquent in payment of a monthly premium for this insurance, or
5. on the date the Group Policy stops.

PK 7

WHEN INSURANCE STOPS

This insurance stops:

1. on the first billing date after the Creditor receives your written request to stop the insurance, or
2. on the Scheduled Expiration Date, or
3. on the date when your loan is paid off, renewed, refinanced or otherwise stops, or
4. on the date when you are 3 months delinquent in the payment of a monthly premium for this insurance, or
5. on the date specified in our written notice of cancellation to you.

PK 8

WHEN INSURANCE STOPS - REFUNDS

You can stop this insurance at any time. This insurance stops on the Scheduled Expiration Date, or when your loan is renewed or refinanced if new insurance is written on the new loan. If your insurance stops before the Scheduled Expiration Date in the Schedule, you will be given a refund or credit on your account of unearned premium. This refund or credit will be calculated using a formula approved by the Insurance Commissioner, but refunds or credits of less than a dollar \$5.00 won't be made.

PL 1

WHAT THE CONTRACT IS AND HOW YOUR STATEMENTS AFFECT IT

This Policy and the attached Application are the complete contract of insurance. All statements made by you in the Application are considered to have been made to the best of your knowledge and belief. No statement can be used to void this Policy or deny a claim unless that statement is in your signed Application. After 2 years during your lifetime from the Effective Date, no statement made by you in your Application can be used to void this Policy or deny a claim. This does not apply to your disability coverage (if any) if that statement was made fraudulently. If you stated in your Application that you are age 65 or older and we do not return your premium within 75 days of the Effective Date, you are insured.

PL 2

WHAT THE CONTRACT IS AND HOW YOUR STATEMENTS AFFECT IT

The Group Policy, the Application for the Group Policy, and the attached Application of Borrower are the complete contract of insurance. All statements made by you in your Application are considered to have been made to the best of your knowledge and belief. No statement can be used to void this insurance or deny a claim unless that statement is in your signed Application. After 2 years during your lifetime from the Date in the Application, no statement made by you in your Application can be used to void this insurance or deny a claim. This does not apply to your disability coverage (if any) if that statement was made fraudulently. If you stated in your Application that you are age 65 or older and we do not return your premium within 75 days of the Effective Date, you are insured.

PL 3

WHAT THE CONTRACT IS AND HOW YOUR STATEMENTS AFFECT IT

This Policy and the attached Application are the complete contract of insurance. All statements made by you in the Application are considered to have been made to the best of your knowledge and belief. No statement can be used to void this Policy or deny a claim unless that statement is in your signed Application. After 2 years during your lifetime from the Effective Date, no statement made by you in your Application can be used to void this Policy or deny a claim. This does not apply to your disability coverage (if any) if that statement was made fraudulently.

PL 4

WHAT THE CONTRACT IS AND HOW YOUR STATEMENTS AFFECT IT

The Group Policy, the Application for the Group Policy, and the attached Application of Borrower are the complete contract of insurance. All statements made by you in your Application are considered to have been made to the best of your knowledge and belief. No statement can be used to void this insurance or deny a claim unless that statement is in your signed Application. After 2 years during your lifetime from the Date in the Application, no statement made by you in your Application can be used to void this insurance or deny a claim. This does not apply to your disability coverage (if any) if that statement was made fraudulently.

PM 1

RULES FOR FILING A TOTAL DISABILITY CLAIM

You must write us or our agent about your total disability claim within 30 days after the beginning of your total disability or as soon after that as you can. We will send you claims forms within 15 days after you tell us about the claim. If we don't send the forms in 15 days, you can simply send us written proof of your disability. The proof must show the date and the cause of the total disability and how serious it is, and it must be signed by a physician or a chiropractor. The proof of total disability must be sent to us no later than

90 days after the end of each period for which a total disability benefit is payable. If it is impossible to file within 90 days, you must file as soon as you can. Unless you have been legally incapable of filing the proof of total disability, we won't accept if it is filed after one year from the time it should have been filed. You can't start any legal action until 60 days after you send us the proof of your total disability, and you can't start any legal action more than 3 years after the proof is filed.

PN 1

RULES FOR FILING A LIFE CLAIM

We must be given a certified copy of the death certificate as proof of a life claim.

PO 1

CONFORMITY WITH STATE STATUTES

Any part of this policy which, on the Effective Date of this Policy, conflicts with the statutes of the state where the policy was delivered to you is changed to conform to the minimum standards of those statutes.

PP 1

PHYSICAL EXAMINATION AND AUTOPSY

We at our own expense have the right, and you must allow us the opportunity, to examine your person as often as is reasonably required while a claim is pending and to make an autopsy in case of death, if it is not forbidden by law.

PQ 1

Secretary

President

Note: Authority cited: Sections 779.21 and 779.27, Insurance Code. Reference: Sections 510, 779.2, 779.3, 779.4, 779.6, 779.14, 779.27, 779.28, 779.30, 779.31, 10113, 10113.5, 10203.5, 10203.55, 10207, 10208, 10209, 10270.94, 10320, 10350-10350.3, 10350.5-10350.7, 10350.10, 10350.11, 10369.1 and 10369.10, Insurance Code; and Sections 18290-18292, 22314, 22315 and 22455, Financial Code. Erreca v. Western States Life Insurance Co. (1942) 19 Cal.2d 388; Moore v. American United Life Insurance Co. (1984), 150 Cal. App.3d 610

4. Amend Section 2249.15 as follows

2249.15. Effective Date. (a) This Article shall be effective as of June 1, 1978. No credit life and/or disability insurance policy, certificate of insurance, notice of proposed insurance, application for insurance, endorsement or rider shall be issued or delivered after April 1, 1979, unless it complies with this Article, including applicable filing requirements. Forms which have been approved pursuant to this Article may be issued or delivered after June 1, 1978.

(b) The following forms shall not be issued or delivered after one year following the effective date of the 2006 amendments of this Article:

(1) Standard forms which do not comply with this Article as amended in 2006.

(2) Non-standard forms containing standard text which does not comply with this Article as amended in 2006.

(c) The following forms shall not be issued or delivered after one year following the effective date of the 2008 amendments of this Article:

(1) Standard forms which do not comply with this Article as amended in 2008.

(2) Non-standard forms containing standard text which does not comply with this Article as amended in 2008.

Note: Authority cited: Sections 779.21 and 779.27, Insurance Code. Reference: Section 779.27, Insurance Code.